

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1261 – HB 1248

April 2, 2013

SUMMARY OF ORIGINAL BILL: Requires applicants for free memorial license plates, offered to certain military medal recipients, to provide the Department of Revenue (DOR) a DD214 form and copies of any order, certificate, or citation that awarded the medal.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005815): Deletes and re-writes the bill to require applicants for certain free memorial license plates, offered to certain military medal recipients, to provide the DOR with certain information pertaining to the issuance of such medal. Removes from the list of medal recipients authorized to receive free memorial plates those having received the Distinguished Flying Cross and the Air Medal.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue - \$3,500/One-Time/General Fund
\$3,600/Recurring/Highway Fund
\$14,400/Recurring/Arts Commission**

Increase State Expenditures - \$3,500/One-Time/General Fund

Assumptions for the bill as amended:


- Removing the “Air Medal” and “Distinguished Flying Cross” plates from Tenn. Code Ann. §55-4-236 is sufficient to remove these two plates from the free issuance provisions without also amending Tenn. Code Ann. §55-4-202(c)4 and §55-4-240.
- Approximately 750 “Air Medal” plates that are issued free-of-charge under current law will be issued for \$25.75 in the first year and \$21.50 in subsequent years as a result of this bill.

SB 1261 – HB 1248

- Approximately 85 “Distinguished Flying Cross” plates that are issued free-of-charge under current law will be issued for \$25.75 in the first year and \$21.50 in subsequent years as a result of this bill.
- There will be a one-time increase in state revenue for covering the one-time state expenditures associated with manufacturing “Air Medal” and “Distinguished Flying Cross” plates. The cost to manufacture a plate is \$4.25. The one-time increase in revenue to the General Fund and the one-time increase in state expenditures from the General Fund are estimated to be approximately \$3,549 [$\$4.25 \times (750 + 85)$].
- The recurring increase in state revenue is estimated to be approximately \$17,953 [$\$21.50 \times (750 + 85)$].
- All license plate fee revenue, after the deduction for expenses related to production, will be apportioned 80 percent to the Arts Commission and 20 percent to the Highway Fund.
- The recurring increase in state revenue to the Arts Commission is estimated to be approximately \$14,362 ($\$17,953 \times 80\%$).
- The recurring increase in state revenue to the Highway Fund is estimated to be approximately \$3,591 ($\$17,953 \times 20\%$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/cce